

[Ms. BROWN of Florida, addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

TAX RELIEF NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 5 minutes.

Mr. NEUMANN. Mr. Speaker, I rise tonight to call attention to how far this Congress has come. In order to truly understand how much this Nation has changed over the last couple of years, since 1995, when there was a change of who was running this place out here, I think it is important we go back to the pre-1995 years and talk about what it was that made the American people so cynical, almost to a point that when somebody out of Washington says "here's what we're going to do," nobody believes him. I thought I would start with the Gramm-Rudman-Hollings Act of 1985.

This was back in the middle 1980's, when Congress started promising the American people a balanced budget. I was not here. I watched this thing very closely from the outside. I was a taxpayer building a business from the ground up at that point in time, working hard every day, and I watched this promise. I watched them promise us that they were going to balance the budget. Their promise was along this blue line in this chart. What they actually did is they followed the red line in this chart.

As my colleagues can see, their promises did not hold up. As a matter of fact, instead of getting to a balanced budget as originally promised in 1991, the deficits exploded. What did they do? They did the Washington thing, and many people in America, myself included, got even more upset with them. They put a new Gramm-Rudman-Hollings bill out. Since they could not meet the first one, they made up a new one. The second one had a blue line again. The blue line shows their promised route to a balanced budget, and the red line shows again what actually happened. The deficit exploded. Why did that happen? They could not curtail the growth of Government spending in Washington. They just plain could not resist reaching into your pocket, taking more money out and spending more money out here in Washington. There was a fundamental belief out here that the people in Washington knew better how to spend the American people's money than they knew how to spend it themselves.

This is kind of what was going on before 1995. We had the promise in 1985, the promise again in 1987, several more promises along the way. We got to 1993, and in 1993 they said we really do have to get this deficit under control, we know we have made these promises repeatedly so what we are going to do, they decided in 1993, this was the past again, they said we are going to raise

taxes on the American people to try and get us closer to a balanced budget. It was the closest vote they have ever seen in this House. In both the House of Representatives and in the Senate, that tax increase that raised the gasoline tax and the Social Security tax, that 1993 tax increase, the biggest tax increase in American history, passed each House by one single, solitary vote. The American people rejected that, because in 1994, they said, "We're sick of the broken promises and we're tired of the tax increases. Washington should not be reaching into our pocket and taking more money out to try and get to a balanced budget."

In 1995, they elected a new group to Congress. They elected the Republicans to take over. The Republicans got here and they made a promise to the American people, too. We laid out a 7-year plan to get to a balanced budget. We are now in the third year of that 7-year plan, and this may very well be the best kept secret in Washington. We are in the third year of our 7-year plan to balance the budget and we are not only on track, but ahead of schedule.

In fiscal year 1996, this red column shows what was promised to the American people. This is the Republican promise of 1995 to the American people. We not only met that target, but the deficit was actually lower. As we started down our track to a balanced budget, the first year was in, and we hit the target.

This is what was promised to the American people in the second year, this red column. The blue column shows where we actually were. We have got 2 years under our belt now not only on track, but ahead of schedule.

Today what we are passing is the third year in this plan, and the third year in this plan is once again on track and ahead of schedule. We are in the third year of a 7-year plan to balance the Federal budget and, very different than the previous Congress, very, very different, we are not only on track but ahead of schedule.

How did all this happen? How did all of this come about? It came about because instead of reaching into the pockets of the American people and taking more money out through tax increases, instead of doing this, the new group that came here in 1995 said it would be a whole lot better if we curtailed the growth of Government spending. If we just controlled the Government spending habits out here in Washington, we would not need to raise taxes to be on track and ahead of schedule in balancing the budget, and that is what we did. Two years into this program, we have reduced the growth of Government spending by over 40 percent. We have literally got our arms around and curtailed the growth of Government spending to a point where today we passed a bill that is going to balance the budget at least by 2002, and we are tomorrow going to pass a bill that allows tax cuts for the American people.

I hear a lot of rhetoric about these tax cuts, but I know the middle-income folks understand what these tax cuts are. In a family of five, the people we see in church every Sunday, those folks know what the tax cuts are. They know if they have got three kids at home, one headed off to college, that they stand to receive \$1,000 for the two kids, \$500 for each one of them still home, and \$1,500 for the one that is going off to college. They do not understand all this class warfare rhetoric, but they sure understand what the tax cuts are. It is a great time for America when we have not only balanced the budget but provided additional tax relief for the American people.

BUDGET RECONCILIATION TAX PROPOSALS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, the tax bill that we are here discussing and in particular the tax bill under the reconciliation package looks good on its face. Federal taxes are cut by a total of \$133 billion over 5 years. I believe the American people deserve and want a tax cut. But the devil is in the details of the tax bill. The bill has a phased-in \$500 per child tax credit. This is a very important and most needed credit. Most Americans would certainly want that and embrace that. But the bill does not allow the credit before an earned income tax calculation. What does that mean? It means that low-income, struggling working people would therefore not get the same benefit that most Americans would get because they would be denied to have that opportunity as those who make more. Some 28 million children would be denied this tax credit because they do not earn enough money to get a tax break.

Mr. Speaker, I believe the American people would be quite surprised to know, if some have their way, that the days of tax relief only for those who do not need tax relief are not over.

The bill provides for estate tax relief. Again, this is a very welcome initiative that farmers and small businesspersons in my State have been seeking for a long time. But here again the bill phases that relief in, \$20,000 a year over 15 years, while immediate and more relief to working families is needed. They need a faster phase-in. That kind of relief really amounts to no relief for low and moderate income working families. They need help now. For generations, these families have struggled to maintain their family farms or their family-owned business, only to face the loss of them when the head of the family passes, and they are unable to pay the estate taxes because their liquid assets are limited.

And with regard to HOPE scholarships, a similar pattern emerges. Under the bill, working families would get \$600 in relief, not the \$1,500 that was